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## RETIREMENT

### Part III. Teachers' Retirement System of Louisiana

#### Chapter 1. General Provisions

##### §101. Mandatory Submission of Monthly Salaries and Contributions Reports, Contributions Correction Reports (Form 4B), and Prior Years Certification/Correction of Member Data

A. Monthly Salaries and Contributions Reports. Each month all employers shall certify to the Board of Trustees, by means of file transfer protocol, diskette, or by on-line web based reporting, the amounts of each employee's salary, and the amounts of deductions from the employee's salary to be paid to the annuity savings fund and then credited to the individual accounts of the employee from whose compensation the deductions were made. All file transfer protocol, diskette, and web based reporting formats must be in compliance with criteria established by Teachers' Retirement System of Louisiana as provided in the Employer Procedures Manual. All certified monthly salaries and contributions reports must be submitted by the fifteenth day of the month following the month covered by the report.

1. All employers with 25 or more employees being reported must submit monthly salaries and contributions reports by file transfer protocol or by diskette.

2. All employers reporting fewer than 25 employees must submit monthly salaries and contributions reports by file transfer protocol, diskette, or Teachers' Retirement System of Louisiana's secure on-line web-based inquiry system.

##### B. Contributions Correction Reports (Form 4B)

1. All employers must submit Contributions Correction Reports (Form 4B) using Teachers' Retirement System of Louisiana's secure on-line web-based inquiry system.

C. Prior Years Certification/Correction of Member Data. Member data previously submitted by employers through the Monthly Salaries and Contributions Reports, and Contributions Correction Reports determined to be questionable or inaccurate must be certified as correct or must be corrected by the employer.

1. All employers must submit Prior Year Certifications/Corrections (with certain exceptions as provided for in C2) using Teachers' Retirement System of Louisiana's secure on-line web-based inquiry system. Data that is to be certified/corrected via the on-line web-based inquiry system are as follows:

- a. full-time rate of pay only correction;
- b. actual earnings and contribution corrections;

- c. service credit;
- d. identified "questionable year" data.

2. Employers who have data that meets Teachers' Retirement System of Louisiana's definition of "Unusual", as defined in Teacher's Retirement System of Louisiana's Employer Procedures Manual, must certify/correct the data by submitting a written statement to Teachers' Retirement System of Louisiana signed by an authorized representative of the employer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:873(2).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 22:1242 (December 1996), repromulgated LR 24:499 (March 1998), amended LR 33:1151 (June 2007), effective July 1, 2007, amended LR 34:1048 (June 2008), effective July 1, 2008.

#### Chapter 2. Earnable Compensation Accounts

##### §201. Earnable Compensation Accounts

A. Earnable compensation shall not include compensation paid to an active member or to an inactive member of Teachers' Retirement System of Louisiana (TRSL) if the compensation is paid by a secondary employer and is reported to the Internal Revenue Service (IRS) on a Form 1099, but only if both the following occur.

1. The individual contract is for \$1,000 or less, and a Form 1099 is issued.

2. The cumulative amount of the Form 1099 payments issued by a single secondary employer to that member does not exceed \$15,000 in a fiscal year.

B. If an individual contract is for more than \$1,000, then that entire payment is earnable compensation subject to TRSL employer and employee contributions.

C. If the cumulative amount of the Form 1099 payments issued by a single secondary employer to that member exceeds \$15,000 in a fiscal year, then all Form 1099 payments in excess of \$15,000 in that TRSL fiscal year are earnable compensation subject to TRSL employer and employee contributions.

NOTE: A secondary employer is one who does not report W-2 earnings on this member.

D. Earnable compensation shall include any and all compensation paid to a retiree of this system by a TRSL-covered employer regardless of IRS reporting.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:701(10).

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 30:273 (February 2004).

### Chapter 3. Re-Employment of Retirees

#### §301. Retirees Returning to Work at Charter Schools

A. Any retiree receiving a retirement benefit from Teachers' Retirement System of Louisiana (TRSL), who subsequently returns to work at a school chartered under the provisions of R.S. 17:3971-3982, shall be governed by the return-to-work provisions contained in R.S. 11:707, 737, 738, 739, 780.1, 783.A, or 791, whichever is applicable.

B. Local school systems granting charters will be responsible for reporting to TRSL, in accordance with R.S. 11:707, the employment of any TRSL retiree by the charter school. Failure to report this information will result in penalties assessed in accordance with R.S. 11:737.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3971-3982 and R.S. 11:707, 737, 738, 739, 780.1, 783.A, and 791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of Teachers' Retirement System of Louisiana, LR 22:290 (April 1996), repromulgated LR 24:499 (March 1998).

### Chapter 4. Purchase of Service Credit

#### §401. Purchase of Service Credit for Involuntary Furlough or Leave without Pay (LWOP) Due to Gubernatorially Declared Disaster/Emergency

A. General Provisions. If a TRSL member is on involuntary furlough or LWOP anytime during the period of August 29, 2005 through June 30, 2006, due to a gubernatorially declared disaster or emergency, he may purchase service and salary credit for each day of service he was on involuntary furlough or LWOP during this period under this provision if such service is not credited to his account.

1. TRSL members eligible to purchase service and salary credit under this rule must make application to TRSL prior to remitting any funds.

2. TRSL must receive certification from the member's employer as follows:

a. the member was or is on involuntary furlough or on LWOP due to a gubernatorially declared disaster or emergency;

b. the period of time during which the member was or is on involuntary furlough or LWOP due to a gubernatorially declared disaster or emergency; and

c. the member's full time salary as of August 29, 2005.

3. Invoices calculated under this provision will include interest charges at 15 day intervals should the payment become delinquent in accordance with R.S. 11:281.

4. Monthly payments must be paid after the close of month being purchased. For example: payments due for the month of February 2006 must be paid after February 28, 2006.

5. Payments to purchase service and salary credit cannot be made in advance. For example, an invoice issued in December 2005 for the January 2006's service and salary credit cannot be paid in December 2005.

6. DROP and Active-DROP members are not allowed to purchase service credit in accordance with R.S. 11:728(A).

7. Members may purchase all credit or partial credit while on involuntary furlough or LWOP.

#### B. Methods of Payment

1. Members may make payment on a month-by-month basis or make a lump sum payment.

2. Payments may be in the form of a direct payment from the member or a direct trustee-to-trustee transfer from a qualified plan or IRA.

3. Should a member elect to make payments through his employer, the employer is required to remit the payments to TRSL, along with a Report of Members Purchasing Declared Disaster/Emergency Leave. This separate report must include the member's name, Social Security number, the month/year being purchased, the full-time monthly salary rate, the months of contract, employee contributions and interest, employer contributions and interest, and the date the member made payment to the employer.

4. Employers who do not remit the employee and employer contributions paid by the member in accordance with R.S. 11:281 will be liable for any delinquent interest.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:163 (A)(2)(a) and (C)(2).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of Teachers' Retirement System of Louisiana, LR 32:867 (May 2006).

### Chapter 5. Deferred Retirement Option Plan (DROP)

#### §501. Service Requirements

A. Members of the Teachers' Retirement System of Louisiana (TRSL), in lieu of terminating employment and accepting a retirement allowance, may elect to participate in the Deferred Retirement Option Plan (DROP) in accordance with R.S. 11:786-791 when the following eligibility requirements for plan participation are met.

#### 1. Regular Plan Members

a. 30 years of service credit at any age;

b. 25 years of service credit and at least age 55;

c. 20 years of service credit and at least age 65 (excluding military service);

d. 10 years of service credit and at least age 60 (excluding military service);

e. those members with 10 years of service credit and who are at least age 60 will have retirement benefits calculated using a 2 percent benefit formula;

2. School Food Service Plan a Members

a. 30 years of service credit at any age;

b. 25 years of service credit and at least age 55; and

c. 10 years of service credit and at least age 60 (excluding military service);

3. School Food Service Plan B Members

a. 30 years of service credit and at least age 55; and

b. 10 years of service credit and at least age 60 (excluding military service).

B. DROP participation may begin or end any day of the month. The effective date for participation in DROP will be the date a properly executed DROP application, including the designation of a DROP account beneficiary(ies), is filed in the office of TRSL or the stated effective date on the properly executed DROP application, whichever is later. In the event an employer fails to submit the application in a timely fashion, the provisions of R.S. 11:761 shall apply.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:739 and R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 18:621 (June 1992), amended LR 18:1419 (December 1992), LR 19:1601 (December 1993), repromulgated LR 24:500 (March 1998).

### §503. Management of DROP Accounts

A. Deposits to DROP accounts will be effective on the first day of each month of participation in the plan.

B. DROP account statements will be furnished on a quarterly basis as follows:

1. statements issued during DROP participation will reflect all account deposits for a quarterly period;

2. statements issued after completion of DROP participation and termination of employment will reflect all account withdrawals for a quarterly period; and

3. interest earnings will begin accruing the day after termination of DROP participation and will be compounded daily;

a. members eligible to enter DROP prior to January 1, 2004, will have interest deposited to their DROP accounts once a year when the actuarially realized rate of return is approved by the Public Retirement System's Actuarial Committee. This interest will be equal to the approved actuarially realized rate of return less an administrative fee. Interest deposits will reflect the interest earned on the account during the previous fiscal year and will be entered on quarterly statements issued after this approval is obtained. No interest will accrue on the DROP account after the date

the account has been liquidated. No interest is paid on any interest only balance. *Liquidated* means all funds have been withdrawn from the DROP account except for the possible final interest earnings due but not yet posted;

b. members eligible to enter DROP on or after January 1, 2004, will have their DROP funds transferred to a Liquid Asset Money Market Account after the termination of DROP participation. Interest will be deposited monthly based on the interest earned on the Liquid Asset Money Market Account less an administrative fee. Final payouts of DROP accounts will have interest posted through the date of the payment. Quarterly statements issued will reflect the interest earned and posted;

4. withdrawal payments from DROP accounts will be issued on the fifteenth day of each month.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:739 and R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 18:621 (June 1992), repromulgated LR 24:500 (March 1998), amended LR 25:1655 (September 1999), LR 30:100 (January 2004).

### §505. Duration of DROP Participation

A. Participation in DROP may not exceed a period of three consecutive years. In order to participate for the maximum three consecutive years, the member must begin DROP participation within 60 calendar days after the first possible eligibility requirement for participation is met (refer to §501.A). The participation period must end not more than three years and 60 calendar days from the date the member first became eligible to participate. The participation period may only be shortened by the participant's termination of employment or death.

1. In lieu of a participation period not to exceed the remainder of the three consecutive year period from date of first eligibility, a member who became eligible for DROP on or before January 1, 1994 may, at any time, select a participation period which may not exceed two consecutive years.

2. Notwithstanding any other provision of law to the contrary, any member who is participating in the three-year Deferred Retirement Option Plan, as set forth in R.S. 11:786.B, may continue to participate in the plan for an additional period of time which equals the difference between the actual participation of that member in that plan and the three-year maximum term of participation, provided the member satisfies all of the following.

a. On January 1, 1994, the member was not eligible for the full three-year period because of years of service credit or age requirements, or both.

b. The member chose to participate in the three-year plan for the maximum period available.

c. The member is participating in the three-year plan on June 30, 1995.

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d. The member furnishes written notice to the system prior to December 31, 1995 or the end of the participation period that the member initially selected, whichever date occurs first.

3. Any member of the Teachers' Retirement System of Louisiana who meets the criteria in §505, including the required written notice, will be allowed to extend their period of DROP participation through December 31, 1996.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:739 and R.S. 11:791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 18:621 (June 1992), amended LR 19:1601 (December 1993), LR 21:1267 (November 1995), repromulgated LR 24:500 (March 1998).

### §507. Retirement Benefits

A. Retirement benefits shall begin on the first day of the month immediately following termination of DROP in all of the following cases:

1. voluntary termination—the participant, for any reason, elects to withdraw from DROP prior to completing the selected participation period and also terminates employment;

2. involuntary termination—the participant is terminated by the employer prior to completing the selected participation period and is not rehired by another TRSL employer on the following day; and

3. completion of selected DROP participation period and termination of employment, except when the DROP participation period is completed on any day other than the last day of any month. In such cases, the DROP account deposit shall be prorated to coincide with the date of completion of DROP participation and termination of employment. Retirement benefits shall begin the day after completion of the DROP participation period and termination of employment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:739 and R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 18:621 (June 1992), amended LR 18:1419 (December 1992), LR 19:1602 (December 1993), repromulgated LR 24:501 (March 1998).

### §509. Withdrawal of Funds from a DROP Account

A. Withdrawals from a DROP account are not permitted prior to the termination of DROP participation or during employment which continues immediately following the DROP participation period and shall be limited to the following methods:

1. withdrawal of the total DROP account balance at the termination of DROP participation and employment;

2. monthly withdrawals in an amount to be determined by the life expectancy of the participant. This periodic payment shall not vary from month to month (refer to §511.A);

3. monthly withdrawals based upon an amount to be withdrawn each month, as specified by the participant. This periodic payment shall not vary from month to month, and the amount of the withdrawal must be greater than the amount necessary to liquidate the total account balance within the participant's life expectancy (refer to §511.A);

4. annual withdrawals in an amount to be determined by the life expectancy of the participant. This periodic payment shall not vary from year to year. The participant shall select the month in which the annual payment is to be made, and the first payment must be made within the 12-month period immediately following DROP participation and termination of employment (refer to §511.A);

5. annual withdrawals based upon an amount to be withdrawn each year, as specified by the participant. This periodic payment shall not vary from year to year, and the amount of the withdrawal must be greater than the amount necessary to liquidate the total account balance within the participant's life expectancy. The participant shall select the month in which the annual payment is to be made, and the first payment must be made within the 12-month period immediately following DROP participation and termination of employment (refer to §511.A); and

6.a. one-time partial account balance withdrawal at the beginning of, or during the term of, monthly or annual withdrawals selected in accordance with §509.A.2, 3, 4, or 5. If the one-time partial account balance withdrawal is made before any other withdrawals, the balance of the account will be paid as determined by the withdrawal method selected in accordance with §509.A.2, 3, 4, or 5. If withdrawals have already begun, the duration of the remaining monthly and or annual withdrawals will be redetermined and the appropriate federal tax laws will be applied. If the one-time partial account balance withdrawal is to be made after the monthly or annual withdrawals have begun, the retiree must meet one of the following conditions:

i. one must have been at least age 55 on the date of his retirement; or

ii. one must be at least 59 1/2 at the time he chooses the one-time single lump sum withdrawal;

b. changes to the monthly or annual withdrawals may only be made in accordance §511.A;

c. if a member is 70 1/2 or older when he chooses a partial single sum after withdrawals have begun, even though he retired at a younger age, he will have the required minimum distribution calculated using the "Single Life Table" (SLT), or he may choose the "Uniform Lifetime Table" (ULT), or the "Joint and Last Survivor Table" (JLST), whichever applies. The result of using one of these tables may allow a member to lower his monthly or annual withdrawal;

7. total DROP account balance withdrawal at any time after monthly or annual withdrawals have begun.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 18:621 (June 1992), repromulgated LR 24:501 (March 1998), amended LR 28:1031 (May 2002), LR 28:2569 (December 2002).

#### **§510. Distributions Provided for by Gulf Opportunity Zone Act of 2005**

A. If a participant was impacted by Hurricanes Katrina, Rita, or Wilma they may be able to withdraw funds from their DROP/ILSB account in addition to those normally allowed under §509. In order to receive an additional distribution, the participant must have retired prior to the special withdrawal request.

B.1. A qualified hurricane distribution must be made on or after:

a. August 25, 2005 and before January 1, 2007, to an individual whose principal place of residence on August 28, 2005 was located in the Hurricane Katrina disaster area, and who sustained economic loss due to Hurricane Katrina;

b. September 23, 2005 and before January 1, 2007, to an individual whose principal place of residence on September 23, 2005 was located in the Hurricane Rita disaster area, and who sustained an economic loss due to Hurricane Rita (but is not a distribution described in Subparagraph B.1.a);

c. October 23, 2005 and before January 1, 2007, to an individual whose principal place of residence on October 23, 2005 was located in the Hurricane Wilma disaster area, and who sustained an economic loss due to Hurricane Wilma (but is not a distribution described in Subparagraphs B.1.a or b).

2. The aggregate amount of eligible distributions cannot exceed \$100,000 in any tax year. No distribution is allowable greater than the participant's account balance. A qualified distribution is not subject to any penalty that would normally be imposed because of the participant's age, and the distribution is not subject to any mandatory federal income tax withholding.

C. Participants eligible to receive funds under this provision must complete a notarized Hurricane Affidavit attesting to their eligibility.

D. If the participant is married, consent of the participant's spouse is required to receive a Hurricane Katrina, Hurricane Rita, or Hurricane Wilma distribution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:786-791 and the U. S. Gulf Opportunity Zone Act of 2005.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System, LR 32:867 (May 2006).

#### **§511. Change of DROP Withdrawal Method**

A. The participant will have one opportunity per 12-month period to change the chosen withdrawal method and/or amount if the original method selected was either §509.A.2, 3, 4, or 5. Any change must be made in accordance with the life expectancy of the participant.

1. For participants under age 70 1/2, any change in the withdrawal method must be made in accordance with the life expectancy of the participant at the time of his retirement, and at no time may the disbursement from the account be less than the amount of the originally selected periodic payment.

2. For participants over age 70 1/2 at the time of the change, the change in the withdrawal method may allow the participant to reduce the disbursement only if the participant was not age 70 1/2 at the time he began withdrawals. Otherwise the rule under §511.A.1 will apply.

B. When the life expectancy of the participant governs the selected periodic withdrawal method, disbursements from the DROP account shall be made in accordance with the "Single Life Table" (SLT) for participants first eligible to begin withdrawing on or after January 1, 2003. Exception: if a retiree is 70 1/2 or older, he must meet a required minimum distribution (RMD) and may request the use of the "Single Life Table" (SLT), "Uniform Lifetime Table" (ULT) or the "Joint and Last Survivor Table" (JLST), whichever applies. Once the election has been made he cannot elect to make a change at a later date.

C. The selection of a withdrawal method and the amount of the periodic payment must be designated by the participant 30 days prior to completion of DROP participation and termination of employment on the form prescribed by the TRSL. Should a participant fail to choose a withdrawal method, or to notify TRSL that employment will continue, TRSL will consider the participant still employed. No benefit will be payable to the participant until official notification of termination of employment, on the prescribed form, is received in the office of TRSL.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:739 and R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 18:621 (June 1992), repromulgated LR 24:502 (March 1998), amended LR 24:961 (May 1998), LR 28:1031 (May 2002), LR 28:2569 (December 2002).

#### **§513. Termination of DROP Participation**

A. When termination of the DROP participation period occurs because of the death of the participant, or if the death of the participant occurs in the absence of an executed Affidavit of Plan Election, the provisions of R.S. 11:783 shall apply.

B. In the event of the death of the DROP participant/retiree, a spousal beneficiary shall select a withdrawal method from the options listed in §509.A, and may make changes in accordance with §511. If the disbursements from the account began prior to the participant's death, the spousal beneficiary may make changes in accordance with §511.

C. In the event of the death of the participant during DROP participation, or after the end of the period of participation, but before total distribution of the DROP account balance, a beneficiary(ies) other than the participant's surviving spouse shall immediately receive a lump sum equal to the participant's balance in the DROP account.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 18:622 (June 1992), amended LR 18:1419 (December 1992), LR 19:1602 (December 1993), repromulgated LR 24:502 (March 1998), amended LR 28:1032 (May 2002).

**§515. Death of Beneficiary**

A. In the event of the death of a surviving spousal or nonspousal beneficiary, any remaining DROP account balance will be paid to the estate of the beneficiary.

B. DROP accounts will be subject to all Louisiana laws governing community property, inheritance, and estate matters and will be administered in accordance with applicable state laws and orders of the court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:739 and R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana LR 18:622 (June 1992), repromulgated LR 24:502 (March 1998).

**§517. Affidavit of Plan Election**

A. If a member fails to return a completely executed and notarized Affidavit of Plan Election to choose a retirement benefit option by 90 calendar days after his/her receipt of the unsigned affidavit or by 90 calendar days after the beginning of his/her DROP participation, whichever is later, he/she will be deemed not to have elected to participate in DROP. Employee and employer contributions and appropriate interest or actuarial cost must then be remitted to TRSL for the prior period of TRSL employment in order to receive service credit for that period.

B. For purposes of §517.A, the signed affidavit must be postmarked no later than 90 calendar days after receipt by member of the unsigned affidavit or by 90 days after the beginning of his/her DROP participation, whichever is later.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:739 and R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 18:622 (June 1992), amended LR 20:1020 (September 1994), repromulgated LR 24:502 (March 1998).

**§519. Application for DROP**

A. A member shall not begin his DROP participation until TRSL has received a fully completed, signed, and witnessed application for DROP, Form 11F. TRSL must receive both sides of the Form 11F.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 18:621 (June 1992), amended LR 20:1020 (September 1994), repromulgated LR 24:502 (March 1998), amended LR 24:962 (May 1998), LR 28:1032 (May 2002).

**§521. Teaching Experience**

A. Retirees who return to work under the provisions of R.S. 11:739 shall be governed by the following definition of *teaching experience*. Any work experience which would

have qualified the member for TRSL membership under the provisions of R.S. 11:701(23) if the experience had been gained in the Louisiana public education system will be considered teaching experience. Teaching experience will include qualifying work (including work during DROP) in any recognized education setting, whether public or private, including both in-state and out-of-state locations. If the experience is not documented in the member's file, the member will be responsible for providing documentation from his/her previous employer in a timely manner. Teaching experience will not include unused leave, furlough, strike time, or unpurchased leave without pay.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:739 and R.S. 11:786-791.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 21:1267 (November 1995), amended LR 23:85 (January 1997), repromulgated LR 24:502 (March 1998).

**Chapter 7. Renunciation of Benefits**

**§701. General**

A. Any person eligible to receive, or receiving, a benefit from the Teachers' Retirement System of Louisiana (TRSL), may renounce such benefits on the following terms and conditions.

1. The renunciation shall be unconditional and irrevocable. Once a benefit is renounced, TRSL shall have no further obligation or liability with respect to that benefit, and the person renouncing the benefit shall, under no circumstances, be eligible to receive that benefit.

2. A base benefit may only be renounced in its entirety. If a base benefit is renounced, there shall be no eligibility for later adjustment of benefits of any kind. An adjustment to a base benefit (cost-of-living adjustment or adjustment for inflation) may only be renounced in its entirety. If an adjustment is renounced, the base benefit need not be renounced.

3. A benefit may be renounced before or after payment begins. If the renunciation is after the start of payments, any payments received prior to the effective date of the renunciation are not affected.

4. If the party making the renunciation is married, the spouse must join in the renunciation.

5. If the person making the renunciation is subject to a court order or community property settlement submitted to and approved by TRSL, in accordance with R.S. 11:291, only that portion of the benefit due the person making the renunciation may be renounced, except as provided for in R.S. 11:783.D.

6. If the person making the renunciation is legally separated or divorced but is not subject to a court order or community property settlement submitted to and approved by TRSL, in accordance with R.S. 11:291, the renunciation must be approved by the court having jurisdiction over the separation or divorce.

7. If the person making the renunciation is retired and has named a joint and survivor beneficiary, the renunciation cannot affect the joint and survivor beneficiary or benefit, including adjustments to the joint and survivor benefit.

8. A renunciation must be made on a form provided by TRSL and must be executed before a notary public and two witnesses, neither of whom may be a spouse nor presently named beneficiary. The renunciation is effective and irrevocable when received by TRSL and may not be retroactive.

9. A person revoking, or participating in revocation of a benefit, must hold TRSL harmless from such action.

10. A revocation may not be used to terminate active participation in TRSL.

11. Amounts credited to a DROP account cannot be renounced.

12. TRSL makes no representation with respect to the effect of a revocation on a person's eligibility for receipt of any state or federal benefits or for participation in any private, local, state, or federal program. Eligibility for or participation in such programs or eligibility for or receipt of such benefits is an issue for which the person making the revocation is solely responsible. Ineligibility for or termination of participation in such programs or benefits shall not affect the irrevocable character of the renunciation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:826.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 19:1602 (December 1993), repromulgated LR 24:503 (March 1998).

## Chapter 9. Computation of Final Average Compensation

### §901. Time Frames for Computation

A. Members of the Teachers' Retirement System of Louisiana (TRSL) retiring on or after July 1, 1995 will have their average compensation (highest 36 consecutive or joined months of earnable salary) computed as follows.

1. Full 12-month periods beginning before July 1, 1995 will be calculated using the law in effect on the day the 12-month period begins.

2. Full 12-month periods beginning on or after July 1, 1995 will be calculated using the law in effect on July 1, 1995.

B. A full 12-month period of the highest 36 consecutive or joined months of earnable salary is defined to be *months 1 through 12*, or *months 13 through 24*, or *months 25 through 36*.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:701(5).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 21:1266 (November 1995), repromulgated LR 24:503 (March 1998).

## Chapter 11. Voluntary Deductions from Retiree Benefits Payroll

### §1101. General

A. Any TRSL retiree, beneficiary, or survivor is eligible to participate in a program established for the voluntary deduction from his/her retirement benefit for life, health, supplemental, dental, cancer, or other insurance premiums and for deductions for savings, loans, or other payments to be sent to banks and credit unions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:821.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 22:1243 (December 1996), repromulgated LR 24:503 (March 1998).

### §1103. Application Process

A. Application for participation in the program must be made by the insurance carrier, bank, or credit union which is the provider of the coverage, product, service, or depositor of monies and shall be signed by two officers of the company, bank, or credit union. The completed application must be submitted to TRSL for approval prior to any deductions being withheld from the retiree's monthly benefit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:821.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 22:1243 (December 1996), repromulgated LR 24:503 (March 1998).

### §1105. Requirements

A. Domestic companies shall:

1. have been licensed to do business in the state of Louisiana for not less than five years;
2. have a current rating in A.M. Best of "B" or better;
3. have been doing business under the same name for not less than three years;
4. provide a like product, service, or coverage to citizens of Louisiana;
5. be in compliance with all procedural, accounting, and reporting requirements governing employee deductions.

B. Foreign companies shall:

1. have been licensed to do business in the state of Louisiana for not less than five years;
2. have a current rating in A.M. Best of "B+" or better;
3. have been doing business under the same name for not less than three years;
4. offer a like product, service, or coverage to citizens of Louisiana;
5. be in compliance with all procedural, accounting, and reporting requirements governing employee deductions.

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C. Companies/credit unions must be regulated by the Department of Insurance or the Office of Financial Institutions.

D. Companies/credit unions are responsible for submitting a computer diskette of monthly deductions to TRSL by the twelfth day of the month preceding the month for which the deduction will be made, using the format and specifications established by TRSL. Diskettes received after the twelfth day will not be processed. Magnetic tapes will be accepted only under certain conditions. All deductions for a single vendor shall be submitted on one monthly diskette, and the retiree will be allowed only one monthly deduction per vendor. This deduction may cover more than one product for a single vendor. Only deductions received on computer tape/diskette will be processed.

E. Companies/credit unions shall be responsible for obtaining and maintaining appropriate deduction authorization from individual retirees. Copies shall be made available to TRSL upon request.

F. Companies/credit unions are responsible for contract/loan terms between companies/credit unions and retirees. TRSL assumes no responsibility for the contract or terms of agreement.

G. Retirees may discontinue any voluntary payroll deduction from their monthly benefit check by providing written notification to the vendor.

H. A retiree cannot authorize total deductions which would cause the net amount of the benefit to fall below \$5.

I. Companies/credit unions must have a minimum of 50 TRSL retirees to participate in the program; however, companies will be allowed six months after initial approval to meet the minimum participation requirements.

J. TRSL will not deduct monthly premium amounts for any retiree who owes monies to TRSL or has his/her benefit suspended.

K. Companies/credit unions shall notify TRSL immediately upon learning of the death of a retiree. In the event that TRSL has remitted funds to the company/credit union after the death of a retiree and these funds were not due the retiree, company/credit union shall refund said monies to TRSL after notification.

L. Upon learning of the death of a retiree, even if not notified by the company/credit union, TRSL shall be refunded any monies transmitted, but not due, after notification. The company/credit union will accept the certification of TRSL as to date of death of retiree as sufficient evidence of date of death in regard to any funds owed to TRSL.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:821.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 22:1243 (December 1996), repromulgated LR 24:503 (March 1998).

### §1107. Disclaimer

A. The company/credit union is prohibited from stating that any product offered has been endorsed or approved by TRSL.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:821.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 22:1243 (December 1996), repromulgated LR 24:504 (March 1998).

### §1109. Transmittal of Withheld Amounts

A. Amounts will normally be transmitted to company/credit union by wire transfer by the tenth of each month. If the tenth is a weekend, the first working day after the tenth will be the date of transmittal. In the event of computer/technical production problems beyond the control of TRSL, it is possible that transmittal of funds would not be made on the tenth day of the month.

B. TRSL will provide the company/credit union a computer printout of the names of individuals, Social Security numbers, and the amounts withheld.

C. TRSL may adjust printout totals by amounts owed TRSL due to death of an individual. These individuals will be identified by name and Social Security number.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:821.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 22:1243 (December 1996), repromulgated LR 24:504 (March 1998).

### §1111. Termination of Payroll Deduction

A. The board of trustees may terminate the voluntary payroll deduction program by providing the company/credit union with at least 30 days written notice.

B. Immediately upon notice from TRSL individual company/credit unions may be terminated for unethical conduct or practices.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:821.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 22:1243 (December 1996), repromulgated LR 24:504 (March 1998).

## Chapter 13. Cost-of-Living

### §1301. Cost-of-Living Adjustment—July 2, 1995

A. Effective July 2, 1995, the Board of Trustees of the Teachers' Retirement System of Louisiana shall increase the retirement benefit or other benefit of each retiree, or the beneficiary or survivor of any member eligible to receive benefits on account of the death of the member or retiree. This increase in benefit shall be provided from the Employee Experience Account held at the Teachers' Retirement System of Louisiana.

B. The increase in benefit granted from the Employee Experience Account shall be a monthly increase in the benefit of each eligible recipient, as determined in accordance with the formula,  $X(A + B + C)$ , where:

1.  $A$  = the number of years of credited service accrued at the time of retirement or death of the member or retiree;
2.  $B$  = the number of years since retirement or since death of the member or retiree to July 1, 1994;
3.  $C$  = the number of years of service credit greater than 30 years; and
4.  $X$  = \$1.

C. No increase in benefit shall be paid to any retiree, beneficiary, or survivor unless such person was receiving benefits on, or prior to, July 1, 1994. In addition, no increase in benefits shall be paid to any former participant of the Deferred Retirement Option Plan unless both plan participation and employment were terminated by the plan participant on, or prior to, July 1, 1994.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:787.D and 11:883.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 21:473 (May 1995), repromulgated LR 24:504 (March 1998).

### **§1303. Cost-of-Living Adjustment—July 1, 1998**

A. Effective July 1, 1998, the Board of Trustees of the Teachers' Retirement System of Louisiana shall increase the retirement benefit or other benefit of each retiree, or the beneficiary or survivor of any member eligible to receive benefits, on account of the death of the member or retiree. This increase in benefit shall be provided from the Employee Experience Account held at the Teachers' Retirement System of Louisiana.

B. The increase in benefit granted from the Employee Experience Account shall be a monthly increase in the benefit of each eligible recipient as determined in accordance with the formula:  $\$10 + W + 2X + Y + 2Z$ , where:

1.  $W$  = \$1 per year since retirement or death of the member or retiree to June 30, 1997;
2.  $X$  = \$1 per year since retirement or death of the member or retiree in excess of 10 years as of June 30, 1997;
3.  $Y$  = \$1 per year of credited service at the time of retirement or death of the member or retiree;
4.  $Z$  = \$1 per year of credited service greater than 25.0 years at the time of retirement or death of the member or retiree.

C. No increase in benefit shall be paid to any retiree, beneficiary or survivor unless such person was receiving benefits on or prior to June 30, 1997. In addition, no increase in benefits shall be paid to any former participant of the Deferred Retirement Option Plan unless both plan participation and employment were terminated by the plan participant on or prior to June 30, 1997.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:787.D and 11:883.1.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 24:1138 (June 1998).

## **Chapter 15. Optional Retirement Plan (ORP)**

### **§1501. Marketing Guidelines**

A. The objective of these guidelines is to provide eligible employees a clear understanding of the ORP and TRSL retirement plans through a fair and balanced presentation.

B. In order to assure that eligible employees have all the information needed to make informed and unbiased decisions, they should be encouraged by their employers to talk to all three ORP carriers.

C. Each carrier should be provided the names of all newly eligible employees and their addresses at least once every semester. After these new employees have been counseled by the employer's personnel office staff on TRSL and other benefits, each carrier will then be permitted to initially contact the eligible employee at work, by phone, or by mail, to request a mutually agreed upon time for a personal presentation, if the eligible employee desires such a meeting. No high-pressure sales methods or multiple contacts may be used by the ORP sales representatives. All presentation materials presented to eligible employees by the ORP carriers will have to be reviewed and approved by TRSL prior to their distribution. This is to include all sales material and video presentations.

D. During any individual presentations, the carriers may provide the eligible employee with written comparative material from the carrier as well as a computer comparison of the ORP and TRSL retirement plans. This computer comparison will project the value of the ORP at retirement assuming realistic returns based on input variables agreed upon by the employee and the representative from the ORP carrier. The projection of ORP value can then be compared to the retirement value of TRSL for the same employment period.

E. All NASD required disclosures for the various investment vehicles shall be made by the ORP providers.

F. The registered ORP representatives will work within the following marketing guidelines set forth by TRSL.

1. TRSL has authority over ORP marketing effort of the approved companies.

2. Each eligible employer will provide the ORP carriers with the name(s) of an employer contact person(s). In turn, the carriers will provide the employer contacts with the name of their respective ORP representative(s). At least once a semester, each participating institution shall provide the ORP carriers with the names, addresses, and phone numbers of newly eligible employees.

3. Once new employees have received TRSL/benefit orientation by their employer, authorized ORP carrier representatives may contact newly eligible employees through brochure distribution in personnel offices, at

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employer-sponsored new employee orientation meetings, or through one introductory mailing or telephone call to request an appointment to illustrate and explain both TRSL and ORP benefits. There is otherwise to be no solicitation (including phone calls) on or off campus.

4. No gifts, other monetary awards or gratuities may be paid to any ORP member or any third party because of the ORP enrollment of any person.

5. No products other than TRSL-authorized ORP products may be sold by company representatives to eligible ORP participants, unless the ORP provider has a separate contract with that employer to sell other products, such as 403(b) annuities, life insurance, etc.

6. TRSL must approve all ORP sales literature and explanatory materials before any such materials may be distributed to employees in any way.

7. Each employer will make available to eligible employees the approved ORP information and the names and telephone numbers of the contact representative(s) for each ORP carrier.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:921-929.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 27:738 (May 2001).